

Belmont Warrant Committee Meeting Minutes
FINAL
January 26, 2011, 7:30 p.m.
Homer Building Gallery

Present: Chair Allison; Members Becker, Bruschi, Dash, Epstein, Grob, Libenson, Lynch, Manjikian, McHugh, Millane, Smith; Selectman Paolillo; School Committee Chair Rittenburg

Town Administrator Younger and Town Accountant Hagg

Members Absent: Callanan, Sarno, and BOS Chair Jones

The meeting was called to order at 7:30 pm by Chair Allison.

Chair Allison began by turning to the first item on the agenda.

Announcements

Chair Allison thanked the WC for submitting their bios. She then reviewed the evening's agenda items. She noted that "major expense items" which are not presently a part of the operating budget will be reviewed in WC meetings over the next several weeks. The WC will work tonight to create questions which will be forwarded to the Minuteman superintendent in advance of next week's meeting to facilitate a more productive meeting.

Presentation of School Reserve Funds Transfer

Chair Allison invited Finance Director Anthony DiCologero to approach the WC table. He began by saying that the School Department will soon need to request a reserve fund transfer to cover an unexpected FY11 cost. For FY11, the budget is \$397K short. This is due to a SPED multi-year settlement as well as other cost overruns. The school has attempted to come up with some of this sum by freezing \$167K in supplies and equipment and looking to charge a sizeable sum from the revolving accounts; these efforts make up the shortfall. As such, the school department is requesting a reserve fund transfer of \$225K for the SPED settlement that the school department has been ordered to pay this year.

Ed subcommittee Chair Bruschi said that she requested the School Department to come to the WC to disclose all the known numbers. She said the Ed Subcommittee has taken no position on the request. She noted that it might be necessary to cover this matter in executive session.

Chair Allison noted that she had WC members review the Reserve Fund Transfer Policy before the meeting so that the WC can look at the request carefully and apply the requirements to this particular request.

Member Lynch asked about when notification was received. In October, Mr. DiCologero replied. Member Lynch then asked if the school reserved any funding to anticipate the outcome. Mr. DiCologero said no, we fully expected a favorable outcome. Member Millane asked if there were any other cases expected. Mr. DiCologero replied that there were none that he knew of. Member Libenson asked if this event could be considered “extraordinary and unforeseen” – in other words, does it happen frequently? DiCologero replied: fairly infrequently, but it is not unheard of. Member Dash asked a legal processing question, and then asked if this is something that *should* be budgeted for? DiCologero said that the School Department doesn’t usually budget reserves to cover pending litigation, but that this issue is being discussing internally. Member Epstein asked what is the balance in the reserve fund? Town Accountant Hagg said \$400K.

In answer to another process question, SC Chair Rittenburg explained that “out-of-district” students from Belmont start their education at another school, request Belmont to pay, and a determination is reached, then a judgment is issued which includes the entire time of the student’s placement (going backwards) plus all the legal fees.

WC Chair Allison asked about the 2.6% increase in the SPED budget for FY11 – that increase is a fairly small increase given the nature of SPED, and it wouldn’t be surprising to have an overrun in that category. DiCologero agreed and said that, on average, the increase is 10.9%. He said that the \$526K from a stimulus grant (that is going away) offset the increased number. The estimated number for FY12 will be more realistic. Chair Allison also asked if 6-month numbers for FY11 were available. Mr. DiCologero replied that the second quarter close was a work in progress and that the new projections for FY11 will be made at a February SC meeting.

Member Smith suggested that this request did fall within the bounds of the reserve fund transfer policy and that the WC should consider the request once the requested information was available. Although no formal vote was taken, Chair Allison asked for an informal “sense of the meeting” and it was agreed that the WC should return to this issue.

Discussion of Budgets

Chair Allison observed that there are three months to present a recommendation to TM on the FY12 budget. This gives the WC time to understand, analyze, and ask questions of this budget. She then identified two topics for discussion: 1) the need to revise the submitted “level service” budgets to conform to generally accepted definitions, and 2) clarity about the cost analysis the WC as a whole would undertake, and the programmatic analysis for which the WC subcommittees would be responsible.

She noted that two budgets were requested – an “available revenue” budget and a “level services” budget – and that the “level services” budgets presented by both the Town and the Schools differed from WC expectation and standard use of the term.

The initial School Department “level service” budget represents the sum of two budgets: 1) a budget showing the cost of doing in FY12 exactly what was done in FY11, and 2) the cost of “mission critical” initiatives which were not included in the FY11 budget but that the Leadership Council felt were required for the achievement of their objectives. Superintendent Entwistle concurred with this description of the submitted budget.

Regarding the town budget, Chair Allison pointed to departments that are spending less than the previous year. Town Administrator Younger noted that personnel who retired were replaced with lower level of salaries. Also, several positions were combined, e.g., the parks and cemetery position as well as the outreach social worker. Chair Allison then asked about the \$50K in new funding for sidewalks. Since this was not allocated for in the previous year, it should go into a different column and labeled as “new initiatives.”

SC Chair Rittenburg asked when does the important “need piece” come in, since such items won’t be included in a “level service” budget. Chair Allison replied that once programs are studied by the WC subcommittees, then mission-critical initiatives may be included. Selectman Paolillo agreed that this was an important consideration. For example, by adding \$50K for sidewalks, this becomes a program that is funded. It helps departments, he said, to think strategically about services they need to deliver to the community. Member Epstein noted that “level service” shows the cost of keeping the budget even. It would be useful to ask department heads what they would do with additional resources.

A discussion followed concerning the best approach to identifying new initiatives on the Town side. (New initiatives on the School side were already identified in the course of creating the “mission critical” budget and will be identifiable once the “level service costs are identified.) The possibility of asking departments to do S.W.O.T. analyses was discussed along with asking for three budgets: “available revenues”, “level service”, and “mission critical”. It was agreed that, for FY2012, the WC subcommittees would try to identify these areas.

Chair Allison then turned to the cost analysis that the WC would be doing as a committee on the whole. A template for this analysis was distributed.

Development of Questions for Minuteman Presentation

Chair Allison noted that Superintendent Bouquillon will be coming to the next WC meeting. She said she would like to make the conversation more constructive. What, she asked WC members, do we want to ask him to come prepared to tell us?

The following questions were raised:

- How many students will be needed in order to right-size the school?

- Why are the numbers in the assessment up 17%?
- What was done to reduce the size of the operational infrastructure?
- Could non-member tuition offset member tuition (the assessment)?
- What is the status of the enrollment study?
- Has there been an increase in the compensation expenses?
- What are the student/teacher ratios? If they are still very low, why? – are you expecting more students?
- Have any custodial services been outsourced?

It was agreed that the enrollment study might be outside the scope of the budget discussion.

Approval of Minutes for 12/15/10

The minutes of 12/15/10 were approved, with five abstentions.

Wrap-up/Adjournment

Member Lynch moved to adjourn at 8:59 pm.

Member Manjikian provided the summary of the meeting's topics.

Submitted by Lisa Gibalerio
WC Recording Secretary